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The Ecology of Commerce

Author(s): Paul Hawken
 Publisher: Harper Business
 Publication Date: 1993
 Pages: 272



Paul Hawken's *The Ecology of Commerce* is almost as well known for the quality of its arguments as it is for the fact that it was responsible for the conversion of Interface's Ray Anderson from old school 'dirty' industrialist to arguably the world's first 'eco-industrialist'. Reading the book, it is not hard to understand why Anderson was converted. Anderson himself probably provides the best synopsis of the book, which he divides in three key arguments:

- The living systems, the life support systems of Earth, the biosphere are in decline. We are facing a global crisis.
- The biggest culprit in this decline is the industrial system, the linear 'take-make-waste' system, driven by fossil fuel energy, abusive waste for which we are all responsible.
- The only institution on Earth that is large enough, powerful enough, pervasive enough, wealthy enough and influential enough to lead human kind out of this crisis is the same one that is doing the most damage, the institution of business and industry.

Compelling thoughts for an industrialist, and this

logic has inspired many since, from Anderson to Wal-Mart's Lee Scott or GE's Jeff Immelt.

And yet, the question remains, whether - to quote Einstein - a problem can be solved with the mindset that created it? Is it realistic to expect industry to throw away the shackles of 'dirty' industrialism in this age of scarce natural and financial resources? Is modern-day capitalism, with its short-termist nature, which rewards waste and pollution as long as their costs are externalised, really able to create a new, clean, resilient and truly sustainable system? I'm not sure, and would agree with Hawken's recent writings, including *Blessed Unrest*, which makes the case that the system will only be changed by individuals and the millions of grass-roots organisations that campaign for social justice, environmental sustainability and spiritual fulfilment. Watch this space!

Reviewed by: Oliver Dudok van Heel, Founder, Living Values

The Corporate Responsibility Code Book, Revised Second Edition

Author(s): Deborah Leipziger
 Publisher: Greenleaf Publishing
 Publication Date: 2010
 Pages: 535



The second edition of *The Corporate Responsibility Code Book* includes new initiatives such as the UN Principles for Responsible Investment and King III, the King code on Corporate Governance issued in September 2009. But the value of this book is not in these individual references to individual codes. The true value is the entire collection, all in one place, of the leading initiatives which serve as a basis for the way in which businesses approach, mainly voluntarily, the whole field of CSR and sustainability. All the codes mentioned in the book are reproduced in full in 10 sections: global initiatives, human rights, labour rights, health issues, combating corruption, company codes of conduct, sectoral and regional agreements, and codes focused on implementation standards. Distilling thousands of codes and standards into 34 key tools, this book is a unique reference manual, categorising the codes and frameworks by focus

(process or outcome), by method of development (unilateral, bilateral, multilateral), by scope (key issues such as corporate governance, environment and human rights), by stakeholder focus (trade unions, governments, supply chain, etc.), by sector and by region. Each code, standard or framework presented is preceded by a discussion which typically includes the background and context in which the code was developed, its strengths and weaknesses, the companies to which the code applies, the questions the code addresses, and insights relating to the "promise and the challenge" of each. Whilst mostly quite brief, particularly in the analysis of strengths and weaknesses, these commentaries provide important insights for those working with the codes or considering adopting one framework or another.

Such codes have value beyond the written documents that we can read in *The Code Book*. Author Deborah Leipziger writes: "The codes and principles described in this work have served to institutionalise dialogue and create for a discussion among actors who had never been in discussion of between whom there was hostility." The process of developing such codes, as anyone who works in or with organisations knows, is just as important as the finished document. Dialogue, engagement, new ways of thinking, generating consensus, working through the detailed nuances of definitions, approaches and objectives are all in themselves valuable actions that advance the cause of CSR and sustainable practices in business.

In reviewing this book, I cannot help but look beyond the codes and frameworks themselves. The codification and standardisation of CSR and sustainability is only a first step. The big leap comes when these codes are widely subscribed to by their target audience and are effectively implemented. *The Code Book* refers to some of the ways in which some of these codes have gained critical mass, for examples, the UN Global Compact or the Global Reporting Initiative, which have become truly global tools. However, any company adopting any such code needs robust internal processes and strategies, policies and plans to uphold the commitments that adherence to the codes require. Deborah Leipziger discusses in *The Code Book* the challenges of actual implementation of frameworks such as the UNGC, the GRI and the Equator Principles, and the criticisms that have been levelled at these frameworks because of companies who declare support for these processes

and do not follow through.

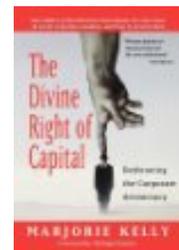
I cannot begin to imagine the amount of work author Deborah Leipziger invested in order to bring *The Code Book* and its revised second edition to life. It is truly a masterpiece in the landscape of CSR and sustainability reference books. This is a book which will never move out of arms reach, as far as I am concerned. Please don't ask to borrow my copy.

Adapted from a review originally published on CSRwire.com on 29 September 2010

Review by Elaine Cohen, Beyond Business Ltd.

The Divine Right of Capital: Dethroning the Corporate Aristocracy

Author(s): Marjorie Kelly
Publisher: Berrett-Koehler
Publishers
Publication Date: 2001
Pages: 288



In *The Divine Right of Capital*, Marjorie Kelly fixes her gaze on the laws, institutions, and cultural perceptions that underpin shareholder capitalism and the modern corporation. As Kelly argues, there are limits to what can be achieved through voluntary corporate social responsibility. What we need, she says, is systemic change, starting with the widespread – but erroneous – belief that the primary responsibility of corporations is to maximise returns for shareholders. Through a playful but persuasive use of metaphor, Kelly tells us how shareholders today behave like an aristocracy – extracting a great deal of wealth without contributing much themselves. In this context, Kelly urges us to re-conceptualise the corporation as a "human community" in which employees deserve more say, as well as a greater share of the profits.

Kelly, who is the co-founder and former editor of Business Ethics and a senior associate at the Tellus Institute, is one of several CSR leaders to call attention to the important role governments must play in promoting corporate social responsibility.



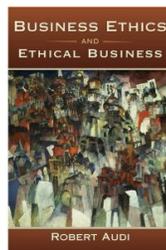
According to Kelly, "The problem is not the free market, but the design of the corporation." If we think of corporations as private governments, as Kelly suggests we do, it is hard to deny that these "governments" are far from democratic. So while part of the problem has to do with how we think of corporations, the larger problem has to do with the legal mechanisms that govern our corporations and determine, to a large extent, the balance of power between shareholders, managers, employees, and other stakeholders. Of course, the laws won't change until we change the way we think. And, as Kelly reminds us, our thinking is all wrong. As Karl Polanyi told us more than a half-century ago, there is no natural, self-regulating market – that kind of "free" market is a myth. Markets, and the corporations that work through them, are the product of rules set and enforced by states. If we do not like where our economy has gotten us, the problem is not markets, per se, but the kind of markets we have, based on the rules we use – rules that can be changed.

The Divine Right of Capital is a call to arms for any person – employee, investor, student, activist, or CEO – that wants a more inclusive capitalism.

Reviewed by: Matthew Maguire, CSR International

Business Ethics and Ethical Business

Author(s): Robert Audi
Publisher: Oxford University Press, USA
Publication Date: 2008
Pages: 176



One of the most significant challenges for any book relating to ethics in business is to establish its audience. There are three very clear audiences for any such book – students of philosophy, students of business, and the executive reader. Many publications that aim at the latter two audiences deal insufficiently carefully with the ethical theories that lie behind the issues. Equally, those books aimed at students of ethical theory are often impenetrable (and therefore practically less than useful) to the business student or executive. So, Robert Audi's book is brave in attempting to address all these

disparate groups in a single, concise volume.

It is elegantly and sophisticatedly written (as one would expect from a scholar of Audi's calibre), and clearly has an eye toward the engaged reader. He deals adeptly with the theoretical issues at the heart of business ethics (Kantian ethics, utilitarianism and Aristotelian virtue theory), and then goes on to develop a five-step process for making ethical business decisions. This process is based on ten intuitional ethical obligations that he identifies as being at the heart of business ethics. You can see here that he is trying to move beyond the theoretical to the practical, in order to appeal to the business student and executive audiences. The process is then applied in the following chapters to issues in business, such as environment and sustainability; marketing; accounting; hiring and compensation; workplace behaviour; leadership; and globalised trade.

There are sixteen short case studies (or scenarios) at the end, which serve to illustrate particular issues, and function as discussion points on areas such as CEO compensation, workplace relationships and bribery. These case studies are also supplemented with a glossary of key terms.

Overall, this is an enjoyable, concise and sophisticated treatment of the theoretical and practical aspects of ethics in business, and should appeal both to a philosophical reader and a sophisticated business executive looking to better understand the deeper issues at the heart of the moral dilemmas faced by businesses. One might criticise Audi for casting his net too wide, but I think that it is successful and it deserves the extra attention a non-academic audience may need to give it. It is a significantly better account of the philosophical issues than many business ethics books manage, and it strikes a sufficiently approachable tone for those readers unfamiliar with the theories he introduces.

Reviewed by: Elizabeth Trigg, CSR International

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